

**FINAL REPORT BY THE INTERNAL AUDITOR TO PENRITH TOWN COUNCIL**  
**1<sup>ST</sup> APRIL 2021- 31<sup>ST</sup> MARCH**  
**FINANCIAL YEAR ENDING 31<sup>ST</sup> MARCH 2022**

**Introduction**

This final report for the financial year 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 covers elements required by the Account and Audit Regulations (England) 2015 which were not covered in the interim report for the period 1<sup>st</sup> April 2021 – 30<sup>th</sup> December 2021.

I confirm I have, on the 19<sup>th</sup> April 2022 undertaken an internal audit which covers the period 1<sup>st</sup> January 2022 to 31<sup>st</sup> March in accordance with the Account and Audit Regulations (England) 2015 as outlined in the schedule previously circulated and approved by Council and incorporating any new requirements as outlined in “Governance and Accountability for Smaller Authorities in England” March 2022

The Audit was conducted remotely by examining documents sent by e-mail by the Responsible Financial Officer, information displayed on the Council website, and the provision of additional information for clarification, in response to queries.

All meeting papers had been forwarded throughout the year for inspection and the Council website was regularly monitored to ensure compliance with the Local Government Transparency Code 2015

**Appropriate accounting records have been kept throughout the year.**

The completed 2022 Annual Governance and Accountability Return (AGAR) confirms that the closing balance at 31<sup>st</sup> March 2021 has been correctly carried forward to 1<sup>st</sup> April 2021 to commence the financial year.

The bank reconciliation at 31<sup>st</sup> March 2022 correctly reflects the balances on all bank accounts.

The Council having reserve cash funds in excess of £100,000 has identified the need for an investment strategy with clear aims and objectives, namely to consider security, liquidity, yield here listed in order of priority.

The Council has a comprehensive investment strategy, which was adopted January 2020. A full report was available for inspection which had been prepared for presentation to the Finance Committee to be held on 25<sup>th</sup> April 2022 and to be further ratified at the full Council meeting in May. The investment strategy is to be subject to review annually.

**The authority complied with its financial regulations, invoices supported payments, all expenditure was approved and VAT was accounted for.**

The rigorous tendering process for goods and services was evidenced by the documentation available for the recent tender for a Community Caretaker Contract. All tenders and quotes adhere to the up to date Financial Regulations.

A selection of financial transactions was reviewed in excess of £2000.00

There was a detailed audit trail for each of the following transactions:-

			Gross
4511	Acorn Marketing	Town Projects	£2499.60
4625	Acorn Marketing	Town Projects	£2499.60
4723	Ian Cannon	Boundary Gates	£5982.00
4725	TWM	Traffic Control System	£3000.00
4726	TWM	Traffic Control System	£6750.00
4727	TWM	Traffic Control System	£4230.00

Vat reclaims are prepared on a monthly basis. The following documents were forwarded as evidence of accuracy – Sage Reconciliation, Sage Transactions and HMRC verification.

The claim for the final month of the financial year 31<sup>st</sup> March 2022 had been reconciled and submitted to HMRC - £6299.00

**The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**

All aspects of this section were covered in the interim report. Further support for assurance was the acknowledgement in the recent tendering document, that the successful contractor would be required to produce risk assessments and the appropriate insurance documents. Suitably qualified persons will undertake inspections of playgrounds and parks and all public assets.

**The Precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves are appropriate.**

The Responsible Financial Officer (RFO) with full explanations of the recommendations prepares a budget report and it is presented to the Finance Committee for approval and development prior to recommendations being made to Council. The Council subsequently approves the budget and notes in the Minutes the precept to be requested for the 2022-2023 financial year. -

The budget is set in time to comply with the District Council's timetable.

**Expected income was fully received based on correct prices, properly recorded and promptly banked and VAT appropriately accounted for.**

The Council has minimal income from sources other than the Precept. Where received, it is properly recorded and promptly banked. No cash income.

The Council has 200 allotment plots allocated over 4 sites. Penrith Allotment Association operates the sites on the Council behalf.

**Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.**

The Council does not operate a Petty Cash account.

**Salaries to employees and allowances to members were paid in accordance with the authority's approvals and PAYE and NI requirements were properly applied**

All payments reflect salary scales approved by Council. Returns to HMRC are processed by the external accountant. The record with all deductions for staff was properly prepared and available for inspection.

**Assets and investments register were completed and accurate and properly maintained.**

The Asset Register for the financial year 2020/21, was adopted 24<sup>th</sup> May 2021 Minute PTC 21/08 ii. The Asset Register for the current financial year has been completed and will be reviewed and adopted, as it is annually, to a scheduled timetable ensuring accuracy for completion of the 2022 AGAR.

All investments adhere to the Investment Strategy.

**Accounting statements prepared during the year were prepared on the correct accounting basis – income and expenditure , all schedules, etc agreed and were supported by an adequate audit trail from the core Sage accounts. Debtors and Creditors were properly recorded.**

The Council accounts are prepared on an Income and Expenditure basis as required by the Accounts and Audit regulations being an authority with income/ expenditure in excess of £200,000. The Sage Accounts clearly identifies Debtors, Creditors, Receipts in Advance, and Accruals.

The audit reports confirm that Penrith Town Council has fulfilled its statutory obligations and all finance and procedures comply with legislation. The comprehensive website ensures the electorate is fully aware of the use of all public funds.

I wish to express my appreciation to the Responsible Financial Officer for the submission of all relevant financial documents and reports and for the assistance of the Town Clerk and all Officers for comprehensive governance documents and the completeness of information on the website which facilitated the audit.

A handwritten signature in black ink, appearing to read 'G. Shier', with a stylized flourish at the end.

Internal Auditor – 19<sup>th</sup> April 2022